

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, JUNE 2, 2022  
SAN DIEGO INTERNATIONAL AIRPORT  
BOARD ROOM**

**CALL TO ORDER:** Chair Cabrera called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:03 a.m. on Thursday, June 2, 2022, at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

**ROLL CALL:**

PRESENT: Board Members: Blakespear, Cabrera, McNamara, Robinson, Schiavoni, Sly, Vargas, von Wilpert

ABSENT: Board Members: Bedell (Ex-Officio), Casillas Salas, Dallarda (Ex-Officio), Miller (Ex-Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Sean Harris, Assistant Authority Clerk II

**PRESENTATIONS:**

**A. SDCERS ACTUARIAL VALUATION UPDATE FOR THE SAN DIEGO INTERNATIONAL AIRPORT:**

Gregg Rademacher, Chief Executive Officer, SDCERS provided a presentation on SDCERS Actuarial Valuation Update for the San Diego International Airport that included the Valuation Process; Balancing Funding Objectives; Declining Interest Rates; Investment Return Assumption; UAL Change History; Valuation Results; Funding Ratio Survey; UAL Funding Survey; and Required Disclosures.

**B. EXISTING TERMINAL 1 PARKING LOT CLOSURE AND PEDESTRIAN BRIDGE DEMOLITION AND COMMUNICATION STRATEGY:**

Jeff Rasor, Interim Vice President, Operations and Jonathan Heller, Director, Communications provided a presentation on the Existing Terminal 1 Parking Lot Closure and Pedestrian Bridge Demolition and Communications Plan that included a timeline for demolition and planned closures, an overview of the communications and outreach plan, and messaging.

**REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:**

- **AUDIT COMMITTEE:** Board Member Schiavoni reported that the committee met on May 9 and that the meeting included attendance by the Authority's external auditor, which initiated the Fiscal Year 2022 financial audit. She also reported that the Authority's Chief Auditor presented the proposed Fiscal Year 2023 Audit Plan and the Third Quarter Report on the activities of the Office of the Chief Auditor and that the items were included on the agenda.

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member von Wilpert reported that there had not been a meeting since the last Board Meeting and that the next CIPOC meeting is scheduled for July 21 and will include construction, communication, and small business updates.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Board Member Robinson reported that the committee met on May 26 in closed session to review the performance of the President/CEO, General Counsel, and Chief Auditor.
- **FINANCE COMMITTEE:** Board Member Schiavoni reported that the Committee met on May 23 and reviewed the unaudited financial statements for the ten months ended April 30, 2022, as well as the Authority's investment report as of April 30, 2022, and received an update on the authority's revolving credit facility and outstanding balances. She also reported that the Committee received the annual review of Authority Policy 4.40 - Guidelines for Debt Issuance and Management, and Authority Policy 4.20 - Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Chief Financial Officer/Treasurer.

#### ***ADVISORY COMMITTEES***

- **AUTHORITY ADVISORY COMMITTEE:** Board Member Robinson reported that the committee has not met but has a scheduled meeting on July 27, 2022.
- **ARTS ADVISORY COMMITTEE:** Board Member Schiavoni reported that for the first time, SAN will celebrate Juneteenth by featuring a concert on Sunday, June 19. She reported that Allan Phillips, a local performer, will entertain travelers with afro-fusion music at Terminal 2 West from 11:30am-1:30pm. She also reported that the Airport will participate in International Make Music Day on Tuesday, June 21 by featuring Sarah Ingraham on SAN's public piano from 11:30am-1:30pm, located near the ticketing area of Terminal 2 West. She also reported that this month the Arts Program plans to release a Call for Artist Submission for this year's Temporary Exhibition program and that the exhibition will be "A Necessary Departure" and aims to feature artwork created by local artists and arts organizations in response to the past two years of the pandemic.

#### ***LIAISONS***

- **CALTRANS:** None.

- **INTER-GOVERNMENTAL AFFAIRS:** Chair Cabrera reported that, in Washington, Congress has started writing the bills that set federal government spending levels and make policy decisions for the 2023 fiscal year and that the Appropriations committees of both the House and Senate are currently holding hearings on the administration's budget plan that was issued in late March 2022; and that it is expected that the final budget will be passed after the November 2022 election. He reported that Government Relations staff will continue to monitor federal budget negotiations and advocate for funding in the 2023 fiscal year budget. He reported that, in Sacramento, the Governor released his revised May budget, which includes an unprecedented \$97.5 billion surplus. He reported that half of the budget surplus must be spent on education as required by law, and that the other half, approximately \$49 billion, are discretionary funds that the Governor proposes to spend on financial relief for Californians impacted by inflation, infrastructure, and efforts to combat the ongoing COVID-19 pandemic. He reported that Government Relations staff continues to work with our agency partners and legislative consultants to identify additional funding through the budget and legislative process for our airport.
- **MILITARY AFFAIRS:** None.
- **PORT:** None.
- **WORLD TRADE CENTER:** None.

#### ***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG BOARD OF DIRECTORS:** Chair Cabrera reported that the SANDAG Board of Directors met three times since the last Board Meeting; and that during the first meeting, staff provided an update on the Central Mobility Hub Program, including the Regional Transit Connection to the Airport; and that the Board approved an amendment to the FY 2022 Program Budget accepting \$2.92 million of Cy Pres Residue funds to support development of feasibility, environmental, and planning studies improving access to the San Diego Airport's Consolidated Rental Car Center in connection with the Central Mobility Hub project. He also reported that the Board met one day for a workshop on May 26; and that at the second meeting, staff provided an update on the status of major SANDAG and Caltrans projects and programs in the San Diego region.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Schiavoni reported that the SANDAG Transportation Committee has not met since the last Board meeting and that the next scheduled meeting is for June 3, 2022.

**CHAIR'S REPORT:** Chair Cabrera reported that on May 13, the SANDAG Board of Directors met to continue exploring options to have transit connect to the airport, and that the two main options discussed were, a transit center at the Port of San Diego property that would connect to the airport via a people mover and a trolley spur down Harbor Drive from Santa Fe Depot. He also reported that a future central mobility hub where City Hall is today is also being considered; and that the Airport Authority is committed to making it easier for everyone to access the airport, and that we are working with our regional partners to provide guidance and technical expertise as needed. He congratulated Magda Fernandez, who was recently appointed Harbor Police Chief and Vice President of Public Safety. He reported that Chief Fernandez is the first Latina to serve as chief of Harbor Police.

**PRESIDENT/CEO'S REPORT:** Kim Becker, President/CEO, reported that on Sunday, May 15 the airport experienced a new post-COVID passenger record with more than 74,600 passengers through the airport. She also reported that SAN saw an average of about 65,000 passengers coming and going each day the Thursday before and on Memorial Day. She also reported that May ended about 13 percent down over 2019 passenger traffic numbers. She reported that Allegiant Air began seasonal nonstop service to Sioux Falls, S.D. on May 19; and that Allegiant Air announced they will offer year-round nonstop service twice a week to Provo, Utah beginning August 18; and that WestJet resumed its nonstop service to Vancouver, British Columbia, Canada on May 19. She also reported that the Authority celebrated Air Canada's first flight from SAN to Montréal, Québec, Canada on May 21; and that Spirit Airlines began nonstop service to Oakland on May 25. She reported that during May, the Airport Authority recognized Asian American and Pacific Islander Heritage Month. She reported that the Airport Authority will add Juneteenth as a paid holiday for all employees, and that it is celebrated on June 19th of every year, and this year will be recognized on Monday, June 20th.

**NON-AGENDA PUBLIC COMMENT:** None.

**CONSENT AGENDA (ITEMS 1-18):**

**ACTION: Moved by Board Member von Wilpert and seconded by Board Member Vargas to approve the Consent Agenda. Motion carried by the following votes: YES – Blakespear, Cabrera, Casillas Salas, McNamara, Robinson, Schiavoni, Sly, Vargas; NO – None; ABSENT – Casillas Salas, (Weighted Vote Points: YES –88; NO – 0; ABSENT – 12)**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the May 5, 2022, special Board meeting, May 12, 2022, special Board meeting, and April 29 & 30, 2022, special Board meeting.

**2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**

RECOMMENDATION: Accept the reports and pre-approve Board Member attendance at other meetings, trainings and events not covered by the current resolution.

**3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 11, 2022, THROUGH MAY 8, 2022, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 11, 2022, THROUGH MAY 8, 2022:**

RECOMMENDATION: Receive the Report.

**4. JUNE 2022 LEGISLATIVE REPORT:**

RECOMMENDATION: Adopt Resolution No. 2022-0046, approving the June 2022 Legislative Report.

**5. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:**

RECOMMENDATION: Adopt Resolution No. 2022-0047, appointing Carman Vann as a public member to the Audit Committee to commence July 2022, for a three-year term.

**6. APPROVE REAPPOINTMENTS TO THE ARTS ADVISORY COMMITTEE:**

RECOMMENDATION: Adopt Resolution No. 2022-0048, approving the reappointment of Robert Gleason and Carmen Vann to the Arts Advisory Committee.

**7. CONSIDERATION OF WHETHER TO CONTINUE VIRTUAL MEETINGS FOR AUTHORITY BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361:**

RECOMMENDATION: Adopt Resolution No. 2022-0049, finding that it is in the best interest of the Authority and the public it serves to continue to hold virtual public meetings of the Board and its Committees because a declared state of emergency is ongoing and continues to directly impact the ability of the Board and its Committees to meet safely in person.

**8. ADOPTION OF AN ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE SAN DIEGO INTERNATIONAL AIRPORT DEVELOPMENT PLAN FOR THE TEMPORARY NORTHSIDE GROUND TRANSPORTATION FACILITIES:**

RECOMMENDATION: Adopt Resolution No. 2022-0050, adopting an Addendum to the Final Environmental Impact Report for the San Diego International Airport Development Plan for the Temporary Northside Ground Transportation Facilities as the lead agency in accordance with the California Environmental Quality Act.

## **CLAIMS**

**9. REJECT THE CLAIM OF LUANN REIN:**

RECOMMENDATION: Adopt Resolution No. 2022-0051, rejecting the claim of Luann Rein.

**10. REJECT THE CLAIM OF MICHAEL VISLOCKY:**

RECOMMENDATION: Adopt Resolution No. 2022-0052, rejecting the claim of Michael Vislocky.

## **COMMITTEE RECOMMENDATIONS**

**11. REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**

RECOMMENDATION: Adopt Resolution No. 2022-0053, approving amendments to Authority Policy 4.40 - Debt Issuance and Management Policy

**12. ANNUAL REVIEW OF AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, CHIEF FINANCIAL OFFICER/TREASURER:**

RECOMMENDATION: Adopt Resolution No. 2022-0054, delegating authority to invest and manage Authority funds to the Vice President, Chief Financial Officer/Treasurer.

**13. FISCAL YEAR 2022 THIRD QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**

RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

**14. APPROVE THE REVISION TO THE FISCAL YEAR 2022 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2022-0055, approving the revision to the Fiscal Year 2022 Audit Plan.

**15. APPROVE THE RISK ASSESSMENT AND PROPOSED FISCAL YEAR 2023 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2022-0056, approving the proposed Fiscal Year 2023 Audit Plan.

**CONTRACTS AND AGREEMENTS**

**16. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY TO INCREASE CONTRACT DURATION AT NO COST FOR WEST SOLID WASTE FACILITY AND WEST REFUELER LOADING FACILITY AT SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2022-0057, approving and authorizing the President/CEO's change order authority to increase the Contract duration from 496 days to not to exceed 537 days at no cost, for Project No. 104274A West Solid Waste Facility and Project No. 104249A West Refueler Loading Facility at San Diego International Airport.

**17. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AMENDMENT TO A REIMBURSABLE AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION (FAA) FOR ENGINEERING AND TECHNICAL SUPPORT RELATED TO NEW T1 AIRSIDE IMPROVEMENTS:**

RECOMMENDATION: Adopt Resolution No. 2022-0058, approving and authorizing the President/CEO to Negotiate and Execute an Amendment to a Reimbursable Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority for Engineering and Technical Support related to New T1 Airside Improvements.

**18. AUTHORIZE THE PRESIDENT/CEO TO (1) EXTEND THE RENT ABATEMENT PERIOD FOR FOOD & BEVERAGE, RETAIL, PASSENGER SERVICE, AND IN-TERMINAL ADVERTISING CONCESSION LEASES IF NECESSARY AND (2) AMEND THE CONCESSION LEASES FOR FOOD & BEVERAGE, RETAIL, PASSENGER SERVICE, AND IN-TERMINAL ADVERTISING TO ALLOW FOR AN ADJUSTMENT TO THE FISCAL YEAR 23 MINIMUM ANNUAL GUARANTEE:**

RECOMMENDATION: Adopt Resolution No. 2022-0059, authorizing the President/CEO to (1) extend the rent abatement period for concession leases, if necessary and (2) execute the required amendments for concession leases for Food & Beverage, Retail, Passenger Service, and In-Terminal Advertising to allow for an adjustment to the Fiscal Year 23 Minimum Annual Guarantee.

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**19. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2023, THE CAPITAL PROGRAM FOR FISCAL YEARS 2023-2027 AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2024 AND THE COMPENSATION PHILOSOPHY AND STRUCTURE:**

Scott Brickner, Vice President/CFO provided a presentation on the San Diego County Regional Airport Authority's FY 2023 Proposed Budget & FY 2024 Proposed Conceptual Budget that included a Revenue Budget Overview; FY 2023 Budget Revenue Increase vs. FY 2022 Budget; FY 2024 Budget Revenue increase vs. FY 2023 Budget; FY 2023 – FY 2024 Proposed Revenue Budget Summary; Expense Budget Overview; FY 2023 Budget Expense Increase vs. FY 2022 Budget; FY 2024 Budget Expense Increase vs. FY 2023 Budget; FY 2023 – FY 2024 Proposed Budget Expense Summary; Capital Program Budget Fiscal Years 2023 – 2027; a Capital Program Budget Summary; and the Plan of Finance for Fiscal Years 2023 – 2027.

RECOMMENDATION: Adopt Resolution No. 2022-0061, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2023, the Capital Program for Fiscal Years 2023-2027, conceptually approving the Operating Budget for Fiscal Year 2024 and the compensation philosophy and structure.

**ACTION: Moved by Board Member von Wilpert and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following votes: YES – Blakespear, Cabrera, Casillas Salas, McNamara, Robinson, Schiavoni, Sly, Vargas; NO – None; ABSENT – Casillas Salas, (Weighted Vote Points: YES –88; NO – 0; ABSENT – 12)**

**20. WAIVE AUTHORITY POLICY 5.02(1)(d) AND POLICY 5.02(4)(b)(iii) AND AUTHORIZE THE PRESIDENT/CEO TO APPROVE AND EXECUTE CHANGE ORDERS WITH SUNDT CONSTRUCTION, INC., FOR 12KV ELECTRICAL SYSTEM UPGRADES TO ALLOW THE NEW ADMINISTRATION BUILDING TO CONNECT TO THE 12KV ELECTRICAL SYSTEM:**

Bob Bolton, Director of Airport Design and Construction, provided a presentation that included a Capacity Analysis of the T2 Electric Grid Loop; the Proposed Scope of Work; Anticipated Cost; and a review of Authority Policy 5.02(1)(d).

RECOMMENDATION: Adopt Resolution No. 2022-0060, waiving Authority Policy 5.02(1)(d) and Policy 5.02(4)(b)(iii) authorizing the President/CEO to negotiate and execute change orders with Sundt Construction, Inc., for the design and construction of upgrades to the existing 12kv electrical system to allow the New Administration Building to connect to the 12kv electrical system for a total change order amount not to exceed \$6,655,198.68.

Board Member von Wilpert stated that she would support increasing the President/CEO's Change Order authority for this project.

**ACTION: Moved by Board Member Schiavoni and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following votes: YES - Blakespear, Cabrera, Casillas Salas, McNamara, Robinson, Schiavoni, Siy, Vargas; NO - None; ABSENT - Casillas Salas, (Weighted Vote Points: YES -88; NO - 0; ABSENT - 12)**

**CLOSED SESSION:** The Board recessed into closed session at 10:29 a.m. to hear Items 22-24.

**21. CONFERENCE WITH LABOR NEGOTIATORS:**

Cal. Gov. Code §54957.6

Agency designated representatives: Monty Bell, Scott Brickner, Angela Shafer-Payne, Greg Halsey, Rod Betts, Jeff Rasor, Lola Barnes  
Employee organization: California Teamsters Local 911

**22. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

**23. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957

Title: General Counsel

**24. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957

Title: Chief Auditor

**REPORT ON CLOSED SESSION:** The Board adjourned out of closed session at 11:47 a.m.  
There was no reportable action

**GENERAL COUNSEL REPORT:** None.

**BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS,  
PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING  
CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:**

**BOARD COMMENT:** None.

**ADJOURNMENT:** The meeting was adjourned at 11:47 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
BOARD THIS 7<sup>th</sup> DAY OF JULY 2022.

ATTEST:



TONY R. RUSSELL  
DIRECTOR, BOARD SERVICES /  
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ  
GENERAL COUNSEL